



# SMALL BUSINESS MATTERS

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## SBE Trade Fair

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Small Business Enterprises (SBEs) attended the SBE Trade Fair hosted by the City of Cincinnati this past May. There were about 300 people in attendance and the event included an informational session where political leaders, City administrators, contractors and other stakeholders provided information regarding City expenditures and/or initiatives to do business with certified SBEs. The SBE Trade Fair allowed the small businesses to showcase their brands and speak to City representatives and others about their products and services.



SBE markets to City employees

This was the City's first time having this format where city-certified SBEs were provided free booth space. Putting SBEs in the booth spaces instead of City employees was suggested to the City's Office of Contract Compliance (OCC) by the SRL Consulting team. OCC took the idea and incorporated it, making the SBE Trade Fair an optimal event. The responses by those in attendance were very positive. One SBE vendor reported that this event was the best he had ever attended.



Keith Adams (SBE) addresses director's panel

The SBE Trade Fair was coordinated in partnership with the African American Chamber. The African American Chamber sponsored some of the radio advertising, worked on the planning committee and managed the registration. This event was promoted very well.



SBEs listen to presentations

One of the roles of the Office of Contract Compliance is to serve, support and advocate on behalf of small businesses. The SBE Trade Fair is one example of OCC fulfilling its role to assist small businesses by bringing pivotal decision makers and information to them. These functions can lead to building business relationships, obtaining of contracts and receiving City funds.

### Special points of interest:

- Revisions to SBE Program legislation
- Banks Project upcoming bid packages
- SRL Consulting, LLC
- Tracking vs. Goal Establishment

## Legislative News

### City Council Approves Multiple Changes to the SBE Program

City Council with a 9-0 vote made several changes to the SBE Program legislation. Some of the revisions were merely minor. However, due to the fact that the SBE Program legislation contained old language from the City's former Equal Business Opportunity Program, removing references to language associated with certification for minority and women-owned business was needed.

The City's SBE Program is race and gender neutral and old language speaking to certification based on race and gender was confusing. However the definitions for Minority Business Enterprises and Women Business Enterprises remained. The City still tracks and reports on its expenditures with MBEs and WBEs who voluntarily identify information on the business owners' race and gender.

Furthermore, to provide more clarity on what is considered when business owners' net worth is calculated, the legislation was amended. The legislation now clearly delineates what is adjusted by deductions and inclusions when calculating net worth.

Also, a milestone in the legislation (as viewed by City Administration) were the changes to the goals for professional services and supplies/services. OCC had reported on a few occasions that the City's 30% goals for these classification areas were not in line with industry standards. After research to support

OCC's claim and its teaming up with SRL Consulting, LLC (which brought greater confidence to the scenario), City Council approved the recommendation to adjust the goals. Now, the goals for these classification areas are 15% for professional services and supplies/services.

In the legislation, where it speaks to the duties of the Office of Contract Compliance as it relates to the SBE Program, many of the functions that OCC implements were not listed. The revisions included listing the duties currently administered by OCC.

The legislation now also clearly authorizes the City Manager to issue and enforce rules and regulations to carry out the meaning of the Subcontracting Outreach Program, a program for contracts greater than \$100,000. Formerly tied to only construction contracts, the recent revisions broadened it to supplies and professional services contracts.

Lastly, amendments were also made to the appeal process for businesses denied certification or recertification.

### Federal Government's Efforts for Including Small Businesses

In its attempt to do more for small businesses, the federal government has introduced bills that deal with a gamut of issues facing government contracting from accountability to fairness.

One bill calls for slicing budgets of federal agencies that do not reach established goals (H.R. 3779, the Small Business Growth and Federal Accountability Act). This bill is currently being vetted by the U.S. House of Representatives. It has received mixed reviews from those in the industry. Critics believe that this bill if passed will have a negative impact on small businesses. One argument is that it could possibly lead to cutting money that would be used for potential contracts targeted to or for small businesses. As some believe, a shrinkage in funding has a domino effect usually severely impacting those that need the funding the most.

In its efforts to stop the practice of large companies using small companies as a front, the Subcontracting Transparency and Reliability (STAR) Act of 2012 (H.R. 3893) was introduced in the House of Representative. This bill identifies and delineates proper percentages for subcontracting by small companies. For example, a small business awarded a federal contract for services (except construction), could not expend to subcontractors more than 50 percent of the amount paid from the federal contract. This bill may provide some provisions to ensure that the small business is actually performing the work.

Council members address SBEs at the SBE Trade Fair.



## OCC and The Banks Project

As a member of the Banks Inclusion Team, which includes OCC, Hamilton County's Office of Small Business Development and Ellington Management Services, OCC is delighted to see the efforts of the public parties and the private entities come to fruition.

The Banks Project continues to exceed the SBE 30% goal. Currently, The Banks Project SBE spend is more than 36%. Phases of the development were under the federal DBE Program, and the Banks Project also exceeded each

DBE goal.

Two DBE bid packages totaling approximately \$11 million will be released in the near future, one around October 2012 and the other in early 2013. DBE goals will guide these bid packages. Certified DBEs in pedestrian bridge and traffic and security cameras are needed.

For more information about the upcoming bids, go to the Banks website at <http://www.thebankspublicpartnership.com>



Opening Day at the Banks

## Government & Small Business Television Show

*Government & Small Business* continues to provide vital information to, for and about small businesses. In 2012, OCC kicked the show off by providing a wealth of information to our viewers regarding the business services offered through one of our stakeholders, the Urban League.

Sheila Mixon, Director of the Small Business Development Center (SBDC) showered us with tremendous amount of information regarding the services available through its centrally located SBDC housed at the



Government & Small Business  
Government & Small Business is a production of the Office of Contract Compliance, a division of the City Manager's Office.

Union Institute.

Other guests on the show this year spoke about topics such as bonding, taxes and real estate. OCC was able to use city-certified SBEs (as appropriate) who are experts in their fields to share information on a couple of the topics.

If you haven't had a chance to join us, please do. The show airs on Citicable channel 23: Mondays—6pm, Wednesdays—4pm, Thursdays—3am, Fridays—7am, Saturdays—9am, and Sundays 9-pm. It's also available on the web at <http://cincinnati-oh.gov/cmgr/pages/-7612-/>

## SRL Consulting, LLC

SRL Consulting, LLC began working closely with OCC of the City Manager's Office and Purchasing of the Finance Department at the beginning of the year. The consulting contract is assigned to OCC to manage and enforce. Steve Love, President of SRL Consulting and his team consisting of Zola Stewart, President of Focus Solutions and Jim Clingman, President of James Clingman & Associates have implemented much work since January of this year.

SRL Consulting is playing an indispensable part in institutionalizing the SBE Program. This entails getting support by all levels of the government to embrace the City's legal program. The ap-

proach thus far has begun with the top officials. However, middle and lower level employees will receive training as well.

SRL Consulting has been involved in numerous meetings (some of which were working meetings) with OCC, Purchasing, department directors, the SBE Core Team, City Council members and the City Manager. Their efforts should enhance the SBE Program and have an impact on results.



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## Small Business Enterprise Program

### Purpose

The purpose of the Small Business Enterprise Program of the City of Cincinnati is to promote the economic welfare of the people of the city, to mitigate the effects of discrimination against Small Business Enterprises (SBEs) and to promote full and equal business opportunity for all persons doing business with the City of Cincinnati by assisting SBEs to actively participate in the City procurement process, and by working to eliminate SBE discrimination in public markets. (CMC Section 323-3)

### Goals

The City of Cincinnati's annual goal for SBE participation shall be 30% of the City's total dollars spent for construction, 15% for supplies/services and professional services. (CMC Section 323-7)

Mark Mallory—Mayor  
 Roxanne Qualls—Vice Mayor  
 Cecil Thomas—President Pro Tem  
 Laure Quinlivan—Council Member  
 Chris Seelbach—Council Member  
 Yvette Simpson—Council Member  
 P.G. Sittenfeld—Council Member  
 Christopher Smitherman—Council Member  
 Charlie Winburn—Council Member  
 Wendell Young—Council Member

Milton Dohoney, Jr.—City Manager  
 David L. Holmes—Assistant City Manager  
 Rochelle Thompson—Division Manager

## Publisher's Corner

The City tracks expenditures with Small Business Enterprises (including expenditures with minority and women-owned business enterprises). However, the City only has SBE goals, because the City's legal inclusion program is race and gender neutral. Legally, the City cannot set goals for MBEs and WBEs.

Often times because the City tracks and reports on its expenditures with MBEs and WBEs, some believe that the City has a MBE and WBE Program. However it does not.

It's essential to understand that the City's inclusion program is only a SBE Program, and goal attainment is solely measured on the City's expenditures

with city-certified SBEs.

Some states such as California, Washington, Michigan and Nebraska adopted legislation that makes it illegal to even gather data on expenditures with MBEs and WBEs. California's legislation in particular is known as the infamous Proposition 209.

Being able to collect the data is a good thing, because it may provide some insight into the fairness of disbursing publicly funded contracts. The information can also be used if the City decides to conduct a disparity study. A disparity study must be conducted if indeed there is a desire to adopt a race/gender based program.



**Rochelle Thompson, Contract Compliance Officer**